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C O N F I D E N T I A L MEXICO 000186

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TAGS: [PGOV](#) [PINR](#) [PREL](#) [ECON](#) [EFIN](#) [MX](#)
SUBJECT: FALL LEGISLATIVE SESSION: IN LIKE A LION, OUT LIKE
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REF: A. MEXICO 4987
[1](#)B. MEXICO 7033
[1](#)C. MEXICO 7064

Classified By: POLITICAL MINISTER-COUNSELOR CHARLES V. BARCLAY, REASONS
: 1.4(B/D).

[1](#)1. (SBU) Summary: The first session of Mexico's 60th Congress concluded on December 23 with a trajectory defying easy characterization. The session could not have begun in a less auspicious manner, with PRD legislators seizing the podium in the Chamber of Deputies to prevent President Fox from delivering his final State of the Nation address (ref A). It ended on December 23 with the easy passage of President Calderon's first spending and revenue package (ref C), a budget largely faithful to Calderon's initial proposal, albeit reflecting some modifications favored by both the opposition PRD and PRI. In between the session's dramatic opening and collaborative close, the Congress was the scene of considerable debate and grandstanding -- as well the unprecedented battle over President Calderon's inauguration -- but little serious legislative activity. While the end-of-session compromise over Calderon's budget ensured the session ended on a high note, and could auger well for future sessions, we believe it is too soon to rule out the sort of legislative gridlock that characterized much of the 59th Congress, and that seemed inevitable in the wake of the 2006 post-electoral conflict. End summary.

[1](#)2. (U) The first session of Mexico's 60th Congress began on September 1, at the height of Mexico's post-electoral crisis, with some in the leftist, Party of the Democratic Revolution (PRD) opposition questioning whether their legislators should even take their seats in the Congress. The PRD faction quickly made its displeasure known by seizing the speakers' platform in the Chamber of Deputies, physically impeding President Fox from delivering his final State of the Nation address. The legislative fireworks repeated themselves in the days leading up to Felipe Calderon's December 1 inauguration as president, when members of both his National Action Party (PAN) and the PRD camped out for days on the speakers' platform, with the PRD seeking to prevent Calderon's inauguration in the Chamber and the PAN seeking to ensure that it would take place. At times, legislators from the rival parties even came to blows.

Words, Not Deeds

13. (SBU) In between these moments of high drama, legislators from the three major parties used every available opportunity for political grandstanding and posturing, although little real legislating took place. Most legislative action consisted of non-binding "Point of Agreement" resolutions (akin to "Sense of the Congress" resolutions in the United States), rather than binding legislation; indeed, prior to the end-of-session budget package, only a handful of laws were passed, none of great significance.

14. (SBU) Lawmakers from across the political spectrum submitted resolutions (several of which passed) decrying the U.S. border fence proposal and other U.S. "anti-immigrant" measures; the resolutions typically urged the executive branch to use all diplomatic means, including international tribunals, to challenge the U.S. legislation. Considerable attention also focused on the perceived unfavorable consequences that the upcoming opening of free trade in agricultural products under NAFTA would have on Mexico's agricultural sector. Again, lawmakers from across the political spectrum supported resolutions to create special legislative commissions to study the impact of free agricultural trade under NAFTA. The Chamber of Deputies approved a resolution urging the GOM to compensate Mexican bean farmers for the losses they are likely to suffer due to U.S. imports. Resolutions in each chamber focused on the difficulties foreseen for the Mexican sugar sector upon the opening of free agricultural trade.

15. (U) Other highlights of the session included the following:

-- A Labor Party (PT) Senator and Deputy each submitted non-binding resolutions urging the USG to comply with the

resolution of the UN Working Group on Arbitrary Detentions regarding five Cubans in U.S. custody.

-- PRI Senator Alfonso Serrano submitted a non-binding resolution expressing indignation that the USG would carry out raids on businesses in the United States employing undocumented aliens, without first notifying the GOM.

-- The Senate unanimously approved a non-binding resolution calling for the Mexican Law on Foreign Commerce to be harmonized with Mexico's WTO obligations.

-- PRI Senator (and former Foreign Secretary) Rosario Green presented a non-binding resolution condemning North Korea's nuclear test.

-- A bill was introduced into the Senate that would regulate GOM cooperation with the International Criminal Court (ICC), apparently requiring that any alleged crime falling under both GOM and ICC jurisdiction would first be handled by GOM authorities, before consideration of whether the matter should be referred to the ICC.

-- PRD Deputy David Sanchez introduced a bill which would impose a criminal penalty on anyone who denies services to a third party on the basis of ethnicity, nationality, sex, age, handicap, religion, sexual orientation, and certain other conditions. Although we have not seen the actual text of the bill, it appears that, if approved, it could be applicable to a hotel that refused accommodations to persons of Cuban nationality.

-- Numerous resolutions were introduced relating to the crisis in Oaxaca. One bill seeking to remove embattled Governor Ulises Ruiz from office was defeated, although senators of all three major parties voted for a bill urging Ruiz to consider resigning as a step towards restoring peace in the state.

The Budget a Turning Point?

16. (SBU) As discussed in detail in Ref C, the debate and

approval of President Calderon's first budget package took place in a very different political climate than that which prevailed for most of the fall session, and the changed circumstances did not go unnoticed by the major players. As noted in reftel, Chamber of Deputies leader Jorge Zermeno (PAN) saluted the cooperative atmosphere of the budget debate, in which all the major parties showed a willingness to compromise. President Calderon wrote to legislative and political leaders of all the parties to thank them for having approved his budget package, which he said had been "enriched" by the negotiations and compromise. He added "the cooperation is a sign of new times....It shows that plurality and democratic debate are the best paths to arrive at the agreements and consensus necessary to benefit all Mexicans."

Thank Heavens for Little Victories

17. (C) Francisco Guerrero, Chief Advisor to the PRI Chamber of Deputies faction and a seasoned observer of the Mexican Congress, told poloff that the Congress's achievements in the fall session were limited to four. First, Guerrero argued that under the extraordinarily polarized conditions of the post-electoral period, the very installation of the new Congress was a significant achievement, with some in the PRD having initially advocated for a boycott of the Congress. Second, Guerrero said the successful inauguration of President Calderon in the Chamber of Deputies on December 1 was another important victory, one that may have demonstrated to many in the PRD faction the futility of using extra-parliamentary tactics to oppose the president. Third, he said that the approval of Calderon's first budget before Christmas -- and in a manner that reflected give-and-take among all the main factions and players -- represented a real victory for the parliamentary process. Finally, he said the very fact that the PRD faction had decided to actively engage in the budget negotiations and to reach reasonable compromises was a significant development, suggesting that the worst of Mexico's post-electoral polarization may be over.

Comment: A Step In The Right Direction

18. (C) Certainly it's far too soon to predict that a new era of harmony and goodwill has broken out in the Mexican Congress. Although specific elements of the budget package generated some controversy, all the parties had a vested interest in coming to agreement on a package offering benefits to their key constituencies. The next legislative session, beginning February 15, will offer far greater challenges as the new administration seeks to push through some of its signature structural reform proposals, ranging from the status of PEMEX and fiscal and labor reforms, to electoral reforms and those involving governance and law enforcement issues. Nevertheless, the upbeat note on which the fall session ended suggests that legislative compromise is possible in Mexico's era of divided power. It also provides early evidence supporting the optimistic predictions that President Calderon would prove more politically astute than his predecessor. The next legislative session will provide the President with ample opportunity to prove or disprove that hypothesis.

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